

Electricity consumer and industry wānanga

Post wānanga report and next steps



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Introduction

Energy hardship is an ongoing and pressing social issue in Aotearoa. Research from the Ministry of Business, Innovation and Employment (MBIE) showed that for the year ending June 2022, 110,000 New Zealand households could not adequately warm their homes and put up with feeling cold to keep costs down.¹

Tackling energy hardship and achieving energy wellbeing for consumers requires a range of support measures from right across the system. The Electricity Authority Te Mana Hiko (the Authority) places consumers at the core of the work we do. Our vision is that consumers have choices in accessing the energy they need now, and in the future, to ensure they and New Zealand prosper. We are progressing several workstreams that look to lift energy outcomes for consumers, including mandating the Consumer Care Guidelines, improving our monitoring and data collection of the retail market, and improving support for consumers to compare and switch electricity plans.

Communities, industry, and other government agencies are also contributing a wealth of research and mahi towards improving energy outcomes in Aotearoa, such as the EnergyMate initiative, the mahi of the Energy Hardship Expert Panel and Energy Hardship Reference Group, 'Research into hard-to-reach customers living in hidden hardship' by Dr Sea Rotmann with Genesis Energy and Mercury and all the community groups that work on the frontline supporting people in energy hardship day in and day out. The Authority looks to, learns from, and is inspired by these existing programmes that support consumers.

For the future, investment in electricity generation, distribution and transmission is necessary to enable an energy transition that meets our 2050 net carbon zero goals. For the Authority, the focus is on encouraging efficient investment while maximising benefits for all consumers.

On 26 March 2024, the Authority facilitated a wānanga with representatives from the electricity sector, government agencies, and consumer/community groups. The purpose of the wānanga was to bring together diverse groups invested in improving energy wellbeing in Aotearoa, discuss different perspectives and experiences, and look to potential initiatives that could be progressed to achieve positive change on a larger scale. The intention was to provide an open forum for ideas to be explored and considered.

This report provides an overview of the wānanga's discussions, covers high-level themes and insights that emerged, outlines the potential actions/initiatives, and proposes a potential pathway forward.

¹ <https://www.mbie.govt.nz/assets/energy-hardship-the-challenges-and-a-way-forward-energy-hardship-expert-panel-report-to-minister.pdf>

Participation

The wānanga brought together 30 individuals representing a broad range of electricity participants and stakeholders, including electricity retailers of all sizes, distributors, consumers and community representatives, regulators, and government departments.

The Authority would like to thank all those who participated in the wānanga. The goodwill, passion, insights, experience and knowledge brought by each organisation and individual were instrumental to the success of the day, as well as the expert facilitation we received. We look forward to continuing to work with you all to achieve positive outcomes for all consumers.

Appendix A includes a list of participants and the agenda.

Methodology

The Authority followed a combined wānanga and workshop approach and engaged an external facilitator to run this engagement. This approach looked at the Ao Māori concept of wānanga, as a method of coming together in open discussion to share and acquire knowledge.

A key component of wānanga is understanding and welcoming different perspectives that may emerge and encouraging everyone to speak to their own knowledge and experiences for the collective to come to a deeper understanding of the matters discussed.

In bringing together these diverse groups, adopting a wānanga approach enabled us to establish a foundation of mutual respect and safety for all attendees.

We combined this approach with a typical workshop methodology to ensure we were able to break down and get through key areas of focus in the time provided.

A seating plan ensured a mix of participants at each table. In this report we refer to the tables as groups. The Authority took on the role as scribe to ensure the groups could focus on the kōrero and workshop goals.

Defining what we can control and influence together

To enable the wānanga participants to focus our sights on what can be achieved through working together, a 'parking lot' was set up for topics that arose that were considered important to improving energy hardship but were outside of the control of our collective. For example, the quality of New Zealand's housing stock, while crucial to address hardship in Aotearoa, is outside of the control of the wānanga collective.

Insights

There is considerable data and insights already available on energy hardship in Aotearoa. The purpose of the wānanga was to establish an understanding of these insights, experiences, and knowledge among participants.

This was achieved by exploring our drivers/motivators for change and highlighting the key barriers and enablers for achieving energy wellbeing. We also discussed MBIE's definition for energy wellbeing in Aotearoa, to help set the scene for what we were trying to achieve together. From these kōrero the following insights emerged.

Electricity is an essential service

Wānanga participants agreed electricity is an essential service necessary to a person's/whānau/community's health and wellbeing. Everyone needs and deserves reliable, secure, and affordable access to electricity. Today, we rely on electricity in all areas of our lives. Some participants expressed concerns about a market-based system delivering an essential service and the inequities this can lead to, while others felt there is a way the market can work for the benefit of consumers but we need to be adaptive to current and future opportunities and challenges.

Disconnections are costly and harmful

Participants in the wānanga agreed there was more to do in ensuring consumers were able to stay connected to electricity. When electricity is not available, the impact to the quality of life and potential of an individual/whānau can be devastating.

Debt from disconnections for non-payment also has considerable impacts. Attendees highlighted that disconnections are not only harmful for the individual/whānau, but the issue also 'snowballs' and impacts communities and wider society by increasing the demand on social services.

This discussion is supported by publicly available evidence, including MBIE's report into energy hardship² which highlights approximately 229 deaths each year in New Zealand can be linked to living in cold, damp, disconnected homes. This is a devastating statistic and represents an annual public cost of roughly \$1 billion.

Energy hardship is only one part of the hardship picture

MBIE defines Energy Wellbeing in Aotearoa as "when individuals, households and whānau are able to obtain and afford adequate energy services to support their wellbeing in their home or kāinga."³

Participants felt the definition of energy wellbeing in Aotearoa was helpful, and a useful tool in understanding contributing factors to energy hardship. A number of groups raised that it

² <https://www.mbie.govt.nz/assets/energy-hardship-the-challenges-and-a-way-forward-energy-hardship-expert-panel-report-to-minister.pdf>

³ <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-hardship/defining-energy-hardship#:~:text=With%20the%20government's%20focus%20on,in%20their%20home%20or%20k%C4%81inga.%22>

would be useful to see this definition within the wider 'picture' of hardship. Competing and compounding issues, such as the rising cost-of-living, life events, medical bills, and debt, often mean consumers are unable to prioritise paying their electricity bill. As discussed above, this can lead to significant negative impacts for individuals/ whānau. Conversely, when the electricity bill is prioritised, it can create hardship in other areas of their lives, such as the ability to feed themselves and whānau, pay important medical bills, or reduce debt.

Community needs to be supported to lead

Communities and those organisations that serve communities are essential in activating pathways out of hardship for individuals and whānau. Many participants agreed, the more localised these services are, the better. There is a growing understanding and recognition from the sector that the solutions we are all looking for can be found in the communities supporting their people in hardship.

Attendees discussed the way community groups and service providers use their established relationships to mobilise quickly. They often have deep knowledge of their people's circumstances, cultures, and connections and can provide support in the right places at the right time and in the most effective way.

Sector support needs to move to the top of the cliff

Attendees described the difficulties many people face when trying to access government support, and how these interventions are often unavailable until it's too late. Participants discussed the need for proactive support to focus on preventing harm and supporting consumers to move out of energy hardship, rather than reactively trying to address hardship 'at the bottom of the cliff'.

The Winter Energy Payment was an example that was raised by most groups as a potential option that could be better targeted to support people in hardship.

Systems and mindsets need to change

There is an opportunity to look at government and sector systems to better deal with hardship. Participants reflected that many of the current systems in place, both government and the sector, had not been reviewed for many years. Participants also highlighted when systems, mindsets and perceptions are left unchallenged this can create barriers and/or inequities for consumers.

Data transparency

The importance of greater data transparency was frequently raised by groups and attendees. There was a strong message that decision-making, particularly in policies and regulation supporting people in hardship needs to be data-driven, and that requires having the right data.

The Authority notes monitoring of the retail market to streamline our collection of retail data. We are currently working through consultation feedback and intend to publish a decision and next steps in the second half of 2024.

Additionally, under the last government MBIE was working on establishing a consumer data right in New Zealand. Consumer data holds enormous value and opportunity, but only if

Workshopping initiatives

As a final part of our wānanga we asked each group to come up with two initiatives we could put our collective efforts behind that would make a real difference for people in New Zealand.

We then asked groups to present their ideas and attendees voted for the two initiatives they would like to see prioritised in the next 12-24 months.

Our initial suggestion was to prioritise two initiatives for further investigation based on the voting. Thirteen initiatives were put forward but there were commonalities in the suggestions, including ideas for a fund to support people facing disconnections, and corporate and community partnerships to support community groups to provide services.

We themed and grouped similar initiatives and combined the votes received. One initiative emerged as a clear winner, and the next two top initiatives received an equal number of votes from the groups.

We recognise some of the initiatives that emerged from the wānanga can be progressed by individual groups/organisations, and collaboration may happen outside of the wānanga collective. The Authority welcomes this mahi.

1. Corporate, government, and community partnership

A number of groups put forward ideas of a partnership between corporates, government, and community agencies, with corporates and government providing the funding to enable community agencies to upscale the services they already expertly provide. This idea is similar to Australia's [Thriving Community Partnership](#) initiative.

As well as being a commonly contributed idea from groups, it also received the most support from individual votes.

This idea recognises community service providers and groups are best placed to provide support to people in hardship. They have a deep understanding of the communities they serve and the unique circumstances those communities are facing. They also have established trust with their communities enabling them to engage with and provide appropriate services and support to those who need it.

Electricity industry participants, such as retailers and lines companies, and government agencies are keen to provide support to their customers and people experiencing hardship in New Zealand and have independent support mechanisms within their own areas of control. However, competing commercial interests and a lack of trust in corporations and government were discussed as potential issues.

2. Sector fund to support people facing disconnections

Ideas for this initiative were put forward in various forms by most attendees at the wānanga.

Throughout the day, groups discussed the proposition that if 'electricity as an essential service' is an agreed principle, then disconnections for non-payment need to be addressed.

Disconnection debt across New Zealand is significant. A number of attendees highlighted the Winter Energy Payment could be re-focused to fund a backstop payment for people who are at risk of being disconnected due to non-payment.

Other groups suggested an alternative government or sector fund could be established to support people to stay connected.

3. Solar deployment to communities

This initiative was put forward by one group at the wānanga, however it was voted as a second equal top contender by participants.

The idea behind this initiative would be to fund solar deployment into homes and communities that would otherwise be unable to access and benefit from this type of generation.

Some of the other initiatives discussed

Bill transparency

One group proposed a standardised approach be taken by retailers in the formatting of their electricity bills to make it easier for consumers to understand their usage, costs and overall electricity bill. Standardised information would support consumer mobility and choice.

Participants highlighted the ‘model bill’ proposed by the Consumer Advocacy Council in 2023⁴. This bill includes key information consumers need to understand their bill and compare prices, a best plan notice, and a breakdown of the customer’s monthly charges and information about their annual power use.

Address prepay customer base

Another group highlighted the need for increased data on the prepay customer base. Prepay customers are often unable to sign up to monthly electricity plans due to poor credit ratings, these customers also tend to be our most vulnerable consumers. This group put forward the need for more information and data to enable better planning for prepay customers facing hardship.

Industry hui

Another industry hui was proposed to consider the way the transition to an electrified economy can be achieved while mitigating consumer costs, particularly to those consumers already in hardship. The group behind this discussion point felt it was necessary to debase the idea that consumers “simply pay” for all the cost of innovation needed into the market.

Other matters raised

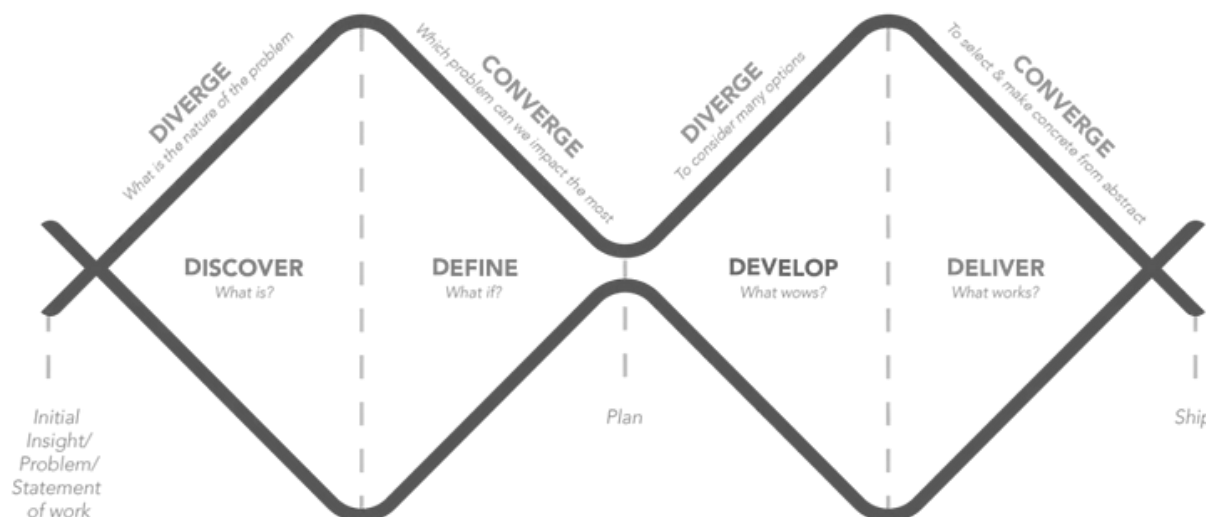
There were other matters raised by attendees, including some relating to the structure of the existing market. These were discussed and fall within existing Authority work programmes, while the focus for the wānanga was on actions that participants were able to independently progress.

⁴ <https://www.cac.org.nz/our-work/research/electricity-billing/model-electricity-bill>

Conclusions and next steps

A key measure of success for this wānanga will be what happens next.

Following the wānanga, we drew on the 'double diamond' model to support the planning of the next steps. The double diamond model supports users to find creative, lasting and more assertive solutions by stepping through four different phases: Discover, Define, Develop and Deliver.



We consider the wānanga as the Discover phase, where wānanga participants discussed the issue of energy hardship and looked broadly at what the group could achieve together. The next step will take us to the Define phase.

During the Define phase our aim is to enable wānanga participants to drive the Develop and Deliver phases as a collective, with the Authority involved as a supporting participant.

The Authority received positive feedback from attendees and most expressed an interest in staying involved in this mahi. It is great to hear that some wānanga attendees have already initiated work to drive progress on some of the key initiatives identified. The Authority is keen to enable this progress and continue to support all involved to build on the momentum.

We also received feedback indicating participants would be interested in the Authority facilitating another wānanga and using this opportunity to explore topics more deeply. This fits well with the Authority's intention to provide an environment in which appropriate collaboration can flourish.

We intend to hold a second wānanga in September this year to provide a forum to report back on progress, discuss any barriers and identify further opportunities for the collective to take forward. More information about the next wānanga will be communicated in July.

Thanks again to everyone who participated in the wānanga and we look forward to hosting the next one and hearing about all of the mahi underway to better support people experiencing energy hardship.

Appendix A Wānanga agenda and attendance

Wānanga agenda

Time	What
9.45am	Pre-arrival. Kapū Tī Cup of Tea. Settle in.
10.00am	Karakia. Mihi. Whakawhanaungatanga
10.10am	Mihi/introduction from Electricity Authority Chief Executive, Sarah Gillies
10.15am	Workshop scope and scene setting
10.35am	Workshop 1: What are the drivers for you/your group/us in supporting energy wellbeing for Aotearoa?
11.20am	Workshop 2: What are the barriers faced by consumers and the sector in achieving energy wellbeing?
12pm	Lunch
12.30pm	Workshop 3: What are the enablers for improving energy wellbeing that are within our control?
1.10pm	Workshop 4: Our potential joined up mahi
2.00pm	Next steps. Where to from here?
2.30pm	Whakamutunga (wrap-up). Karakia. Haere ra Farewell

Attendance

Name	Organisation
Facilitator: Sharon Shea	Shea Pita & Associates Limited
Neil Anderson	A&B Competition Law Specialists New Zealand
Andy Burgess	Commerce Commission
Idil Kaplan	Commerce Commission
Kate Day	Common Grace Aotearoa
Norman Evans	Consumer Advocacy Council
Emma Sturmfels	Consumer Advocacy Council
Paul Fuge	Consumer NZ
Jessica Walker	Consumer NZ

Name	Organisation
Pip Townsend	Disabled Peoples Assembly
Anna Kominik	Electricity Authority Te Mana Hiko
Sarah Gillies	Electricity Authority Te Mana Hiko
Andrew Cooper	Electric Kiwi / The Energy Collective
Luke Blincoe	Electric Kiwi / The Energy Collective
Bridget Abernethy	Electricity Retailers' Association of New Zealand (ERANZ)
Will Jensen	Energy Efficiency & Conservation Authority (EECA)
Megan Baker	Energy Networks Aotearoa (ENA)
Neisha Ashaye	Flick Electric
Bridget MacAuslan	Flick Electric
Jake Lilley	FinCap
Keri Brown	Hutt City Councilor, Chair NZ Energy Hardship Expert Panel
Dr Kimberley O'Sullivan	University of Otago, Wellington
Jo Christie	Mercury NZ
Rachel Herangi	Meridian Energy
Peter Southey-Jensen	Ministry of Business, Innovation and Employment (MBIE)
Mikey Smyth	Ministry of Business, Innovation and Employment (MBIE)
Victoria Coad	Ministry of Business, Innovation and Employment (MBIE)
Ezra Hirawani	Nau Mai Rā
Quentin Caddis	Nova Energy
Alex Macmillan	Octopus Energy
Prudence Stone	Presbyterian Support
Phil Squire	Toast Electric
Debbie Leyland	United Community Action Network